

3 FAM 3260

DIFFERENTIALS

(CT:PER-747; 10-08-2014)
(Office of Origin: CGFS/C)

3 FAM 3261 GENERAL

3 FAM 3261.1 Post Differential

(TL:PER-445; 06-18-2002)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)
(Applies to Foreign Service & Civil Service Employees)

- a. Post differential is the additional compensation of 5, 10, 15, 20, or 25 percent above basic pay.
- b. Post differential is designed to provide additional compensation to employees for service in foreign areas where environmental conditions differ substantially from environmental conditions in the continental United States and warrant additional compensation as a recruitment and retention incentive.

3 FAM 3261.2 Service Need/Difficult to Staff Incentive Differential

(CT:PER-747; 10-08-2014)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)
(Applies to Foreign Service & Civil Service Employees)

Service Need Differential (SND) also known as Difficult to Staff Incentive Differential (DSID) may be granted to an employee assigned to a differential post upon a determination that especially adverse environmental conditions warrant additional *compensation* as a recruitment and retention incentive to fill the employee's position at that post.

3 FAM 3262 AUTHORITY

(TL:PER-445; 06-18-2002)
(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)
(Applies to Foreign Service & Civil Service Employees)

The authorities cited for this subchapter are:

- (1) 5 U.S.C. 5925;

- (2) Public Law 86-707;
- (3) 20 U.S.C. 906(a) (1-2);
- (4) Section 905 of the Foreign Service Act; and
- (5) Department of State Standardized Regulations (DSSR), Chapters 500 and 1000, Post Differential and Difficult to Staff Incentive Differential, respectively.

3 FAM 3263 DIFFERENTIALS APPLICABLE TO POST

(CT:PER-747; 10-08-2014)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. **Post Differential:** For information pertaining to payment, commencement of newly appointed or transferred employees, termination of differential, continuation of differential during absence from post, and details regarding post and service need differentials refer to DSSR 500, Section 920, Post Classification and Payment Tables for the rates and Form DS-0267, Post *Hardship* Differential Questionnaire.
- b. **Difficult to Staff Incentive/Service Need Differential for State Department:** For information on payment, refer to DSSR 1000 and Form SF-1190, Foreign Allowances Application, Grant and Report. For USAID employees, *refer* to USAID-specific procedures in Form ADS 477, Allowances and Differentials, and USAID general notices on the Electronic Bulletin Board System.

3 FAM 3264 DIFFERENTIALS PAYMENTS

3 FAM 3264.1 Post

(CT:PER-747; 10-08-2014)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. Post differential for full time and temporary employees is determined by a numeric score included in Form DS-0267, against the post differential standards. Form DS-0267 is *a questionnaire composed of* two parts and must be completed *in its entirety* to receive authorization for payment of post differential. *Refer to* Form DS-0267 for further information and instructions.
- b. Form DS-0267 is used to determine if a post qualifies for a post (hardship) differential allowance and the appropriate level *for payment*.

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- c. Post differential is taxable income. Rates can be found in Section 920 of the DSSR under the employee's assigned post.
- d. The "due month" is contained under the "reporting schedule" for your post in Section 920 of the DSSR.

3 FAM 3264.2 Service Need/Difficult to Staff Incentive Differential

(CT:PER-747; 10-08-2014)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. The head of an agency may authorize and grant payments of *Service Need Differential (SND)/Difficult to Staff Incentive Differential (DSID)* of an additional 15 percent over basic compensation to employees assigned to a foreign post for at least 3 years. Payments will be made no more frequently than once annually upon the *employee's* completion of each year *at post or once annually upon the employee's eligibility date. The date of payment is dependent on whether SND was elected prior to arriving at the SND post or occurred after arriving at the SND post. If SND was opted for prior to arriving, SND payment will occur annually upon the completion of each year at post. If SND election was delayed until after arrival at the SND post, SND payments will occur annually upon the eligibility date of the recipient.*
- b. Any combination of approved annual leave, sick leave, leave without pay of less than 30 calendar days, ordered/authorized departure, and temporary duty travel taken away from post of assignment in addition to continuing presence at post will be used to fulfill the one year period.
- c. Authorizing and certifying officers will approve the grant upon completion and submission by an employee of a properly executed Form SF-1190 and confirmation by the authorizing office that the payment is appropriate.
- d. If the post for which the differential is authorized is also authorized for danger pay allowance, the combination of the danger pay allowance and the difficult to staff incentive differential may not exceed *35* percent of the basic compensation.
- e. Only employees eligible to receive post differential as defined in DSSR 500 may receive the difficult to staff incentive differential.
- f. The head of an agency may authorize payment of the difficult to staff incentive differential on a position-by-position, occupational specialty, and/or post-by-post need.

3 FAM 3265 SERVICE NEED DIFFERENTIAL (OR DIFFICULT TO STAFF INCENTIVE DIFFERENTIAL)

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3 FAM 3265.1 Certification for Granting Service Need/Difficult to Staff Incentive Differential

(CT:PER-747; 10-08-2014)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

When an employee requests payment of the service need/difficult to staff incentive differential, the following certification *must* be provided in the remarks box of Form SF-1190.

"In order to be eligible for a grant of the Service Need/Difficult to Staff Incentive Differential, I certify that I agree to complete 36 months in (post name) from (ETA) to (ETD). If I fail to complete 36 months of service in (post name), I will be liable for repayment of the entire Service Need/Difficult to Staff Incentive Differential received while assigned to (post name), unless a waiver of that liability is granted."

Employee's Signature

3 FAM 3265.2 Tour at a Service Need/Difficult to Staff Incentive Differential Post of Less than 36 Months

(CT:PER-747; 10-08-2014)

(State Only)

(Applies to Foreign Service & Civil Service Employees)

- a. If an employee who is receiving the *SND/DSID* curtails his or her tour to less than 3 years due to the needs of the U.S. *government*; involuntary separation; or for compassionate reasons (requires concurrence of employee consultation service (ECS) and approval of the appropriate assignments panel), no repayment of service need/difficult to staff differential is required. The employee may, however, claim SND/DSID for his or her entire service at the designated post.
- b. If the employee's tour of duty is shortened for his or her convenience, the employee will be required to repay all *SND/DSID* received prior to his or her departure from post. The employee may request a waiver of repayment through his or her career development officer in HR/CDA, who will present the request for curtailment and waiver of repayment to the appropriate assignments panel for decision.

NOTE: The subject Assignment Notification cable will stipulate in the remark section whether or not a waiver of repayment has been approved.

3 FAM 3265.3 Contact Office

(TL:PER-445; 06-18-2002)

(State Only)

(Applies to Foreign Service & Civil Service Employees)

Any questions as to an employee's eligibility to receive the service need/difficult to staff incentive differential should be addressed to the Director of HR/CDA/AD.

3 FAM 3266 EFFECTS ON OTHER PAYMENTS

3 FAM 3266.1 Charge d'Affaires Pay

(TL:PER-445; 06-18-2002)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

Post differential and service need/difficult to staff incentive differential will not be included in compensation for purposes of computing charged' affaires pay at a differential post. Charged' affaires pay will not be considered in determining the amount of post differential and service need differential.

3 FAM 3266.2 Lump-Sum Annual Leave Payment

(CT:PER-747; 10-08-2014)

(Uniform State/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

- a. Post differential and service need/difficult to staff incentive differential is not included in a lump-sum annual leave payment except:
 - (1) For settlement of a deceased Foreign Service employee's accounts;
 - (2) When an employee is separated at a differential post; and
 - (3) The employee is present at the post on the date of separation.
- b. The employee will not be in salary status during travel and will be reimbursed only for allowable travel expenses.
- c. The employee is not authorized consultation in the Department or agency.
- d. The employee takes a medical examination before the date of separation (see 3 FAM 1910).

3 FAM 3267 EFFECT OF "IN TRANSIT" OR "HOME LEAVE--LOOSE PACK" ORDERS

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“In Transit” or “Loose Pack” orders may be issued when an employee must permanently depart from a post abroad of assignment but the onward assignment abroad has not been finalized (e.g. an employee awaiting confirmation as chief of mission). Whether or not home leave is granted in connection with the departure from post, such orders have the same effect as normal transfer orders. Payment of post differential and service need/difficult to staff incentive differential to employees under “home leave--loose pack” orders will cease on the date of departure from post. (See DSSR 532.)

3 FAM 3268 EXTRA SERVICE CREDIT

(CT:PER-747; 10-08-2014)

(Uniform State/USAID/BBG/Commerce/Foreign Service Corp/USDA)

(Applies to Foreign Service & Civil Service Employees)

A participant in the Foreign Service Retirement and Disability System who was assigned prior to February 16, 1990, to a differential post designated as an unhealthful post may elect to receive extra service credit toward retirement in lieu of any post differential (see 3 FAM 6000). Participants in the Foreign Service Pension System are not eligible to elect extra service credit.

3 FAM 3269 UNASSIGNED